

ALABAMA MEDICAID AGENCY
INPATIENT HOSPITAL QUALITY ASSURANCE
PROGRAM
PRE-BID QUESTIONS AND ANSWERS
BID NUMBER
08-X-2193464

SET ONE

Q1: **General:** Who is the current vendor?

A: There is not a current vendor.

Q2: **General:** What is the dollar value of the current bid?

A: Refer to Question 1.

Q3: **General:** What are the major differences between the current scope of work and the one in this RFP?

A: Refer to Question 1.

Q4: **General:** Can the proposal due date of July 21, 2008 be extended to a later date?

A: Yes. Section 1.3 Schedule of Activities shall be amended to read as follows: "The schedule of activities for this bid process is listed below. All dates are estimated and are subject to change. All times are central time (CT)."

Bid Released	07/01/08
Pre-Bid Questions Due	7/7/08
Answers to Pre-Bid Questions Posted	7/11/08
Bids Due (nlt=no later than)	07/30/08 nlt 5:00 pm
Bids Opened	07/31/08 @ 10:00 am
Bids Evaluated	08/04-08/07/08
ITB awarded	08/08/08
Program Start Date	09/01/2008

Q5: **Page 7, Entities submitting bids (1.4.b)** states: "Must be a Federally Designated QIO under contract with the Centers for Medicare and Medicaid Services (CMS)."

Would certification by the Centers for Medicare and Medicaid Services (CMS) as a QIO-like entity be acceptable for this designation?

A: No.

Q6: **Page 34: Sampling (4.2.b.1)** states: "Reviews are required on a 10% sample of each hospital's Medicaid admissions."

Is this a random sample or can the Contractor apply proven algorithms to

select cases with a high likelihood of inappropriate utilization?

A: Not yet determined. Sampling methodology must be approved by the Agency.

SET TWO

Q1: **General:** Is there a current incumbent performing these services for the State of Alabama? If yes, please identify the incumbent.

A: Refer to SET ONE; Question 1.

Q2: **General:** What is the dollar value of the current contract?

A: Refer to SET ONE; Question 1.

Q3: **General:** What is the available budget for this procurement?

A: There is not a predetermined budget.

Q4: **General:** How will the needed forms and pricing schedules be made available to the bidders?

A: If you did not receive the requisite Department of Purchasing Forms, please contact Mr. Bernie Arant at the Department of Purchasing. His e-mail address is bernie.arant@purchasing.alabama.gov. Bids submitted without all forms and attachments required by the Department of Purchasing will be rejected.

Q5: **Section 1.8 Bid Submission Requirements, page 9, Section h:** Please clarify how the State will determine a pass/fail score.

A: There is not a score assigned. Pass indicates the requirement was adequately addressed. Fail indicates the requirement was not addressed or does not meet the requirement.

Q6: **Section 1.8 Bid Submission Requirements, page 9, Section j:** This requirement of the ITB seems to indicate that the price proposal needs to be submitted with additional price schedules for each program component. Please elaborate on what is being requested. Should each component's pricing be backed up with line item price schedules illustrating fringe, overhead and fee?

A: No. We will amend Sections 1.8(i) and (j), page 9 to read as follows:

(i) "The bid price is a firm and fixed annual price for the contract." The bid price must appear on the Finance Department, Division of Purchasing page.

(j) "The firm and fixed annual bid price submission shall exclude the cost of InterQual criteria, which shall be a pass-through expense."

Q7: **Section 1.13 Transmittal Letter, page 13, Section n:** The requirement outlined in the ITB states that, "The successful bidder shall be required

to complete a financial disclosure statement with the executed contract". Attachment C states on the bottom of page 2 that, "Act 2001-955 requires the disclosure statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of \$5,000".

Please verify if the disclosure should be submitted with the proposal, or can it be completed once the contract has been awarded?

A: The disclosure statement is to be completed and returned with the signed contract with the successful bidder.

Q8: **Section 3.2 Inpatient Services, a. page 33:** Please define the age when a Mississippi Medicaid recipient is considered an adult.

A: In the Alabama Medicaid Program, most recipients are considered an adult at age 21.

Q9: **Section 3.3 Transition Program, page 33:** The ITB outlines that on April 1, 2009, the Agency will begin requiring the use of approved InterQual criteria for inpatient and continued stay reviews. Would the Agency confirm that the bidder is responsible for purchasing the needed criteria and that the cost should be included in the price?

A: We will amend Section 1.8(j), page 9 to read as follows: ~~"As part of the firm and fixed price submission, bidders must include details to support the development of their bid price including the amounts/percentages of the bid to be spent on each component. This price submission will exclude the cost of InterQual criteria, which shall be a pass through expense."~~ "The firm and fixed annual bid price submission shall exclude the cost of InterQual criteria, which shall be a pass-through expense."

Q10: **Section 4.2 Admission and Continued Stay Criteria, page 34:** Will the contractor have access to claims files to do the sampling?

A: No, Medicaid will provide a claims extract of all hospital admissions to Contractor on a monthly basis as defined in Section 4.8 (g) of the ITB.

Q11: **Section 4.2 Admission and Continued Stay Criteria, page 34:** This section states that the only requirement is to send review determinations in a quarterly report to the department. Do all reconsideration requests (pg. 37, Section 4.6) come through the department to the contractor or are letters sent from the contractor to the facility at the end of the initial review that offers the opportunity for reconsideration?

A: All requests for reconsideration must come from the hospital to the contractor.

Q12: Section 4.2 Admission and Continued Stay Criteria, page 34, Section

a: Under Requirement a, the ITB outlines that the Contractor will be required to review a sample of admission and continued stay reviews on all inpatient hospital admissions. Then, under Requirement b(1), the ITB states that reviews are required on a 10% sample of each hospital's admissions. Can the Agency confirm if the contractor will be expected to perform retrospective reviews on only 10% of admissions, or 10% of admissions and continued stay?

A: Contractor will be expected to perform retrospective reviews on 10% of combined admissions and continued stays.

Q13: Section 4.2 Admission and Continued Stay Criteria, page 34, Section

b (1): Is the contractor responsible for selecting records for the 10% sample?

A: Yes

Section b (5): Can the Agency provide a historical referral rate for charts that are deemed questionable and are sent to a physician advisor for review?

A: Do not have this information.

Does this physician advisor need to be part of an external review panel?

A: Yes. The physician advisor will be required to participate in any hearings or informal reviews.

Section b (5): States that "a physician must be available to review charts that are deemed questionable as to the appropriateness of the admission or continued stay by the nurse reviewer." However, Section 4.2.e.(1) on page 35 states, "admissions that have been approved by any hospital in error that did not meet approved criteria."

Please clarify if the final determination is strictly based on adherence to the criteria or if the determination of denial is based on the physician determination?

A: The final determination decision is made by the physician advisor; although all determinations may be reconsidered. Refer to Section 4.6 Reconsiderations'.

Q14: Section d: Is a quarterly report due for each hospital or for the program as a whole?

A: By hospital. The Contractor will determine how the report will be completed.

Q15: Section 4.3 Internal UR Plans, page 34: Will Alabama Medicaid provide the contractor with a provider file in order to obtain the hospital UR Plans?

A: See Attachment "E".

Q16: **Section 4.3 Internal UR Plans, page 34:** Please define the file layout for the provider file.

A: N/A

Q17: Are border hospitals subject to the UR plan review and MCE review?

A: Yes. Refer to Section 3.2 'Inpatient Services'.

Q18: **Section 4.7 InterQual Criteria, page 38, Section a.(3):** Is the cost to be covered only the cost of the contractor to obtain the criteria or the cost of every hospital to obtain the criteria?

A: We have amended Section 4.7(a)(3), page 38, InterQual Criteria, Requirement, to read as follows: "The Contractor will be required to be responsible for "determining and documenting pass-through expenses related to InterQual criteria." Each hospital will be expected to obtain their own criteria.

SET THREE

Q1: **Page 5, Section 1.1:** Please clarify; the Contractor's bid price should only cover costs related to the first 24 months of the contract period. Option year pricing will be at the original/negotiated contract rate. Will the Agency consider a COL adjustment to the base contract award amount for any of the option years?

A: The initial term of the contract is 2 years. Section 1.8(i) is being amended to clarify that the bid should specify the annual price. There will be no adjustment to the bid price for any of the option years.

Q2: **Page 5, Section 1.1:** In the event of the project's scope of work, number of covered lives or hospital reviews exceed the estimates set forth by the Agency will the contractor be afforded the opportunity to request/negotiate a contract modification/adjustment?

A: Yes.

What criteria will the Agency apply in considering a possible contract modification?

A: See Section 2.10. "In the event of any substantial change in such Plan, laws, or regulations, that materially affects the operation of the Alabama Medicaid Program or the costs of administering such Program, either party, after written notice and before performance of any related work, may apply in writing to the other for an equitable adjustment in compensation caused by such substantial change."

Q3: **Page 32-33, Section 3.2:** Will the Agency require retrospective reviews for all inpatient services or are there any exceptions? (For example, obstetrical services, psychiatric and or substance abuse services, outpatient surgery, other...)

- A: Yes, the Agency will require retrospective reviews for all inpatient services provided in an acute care hospital.
- Q4: **Page 32-33, Section 3.2:** Will the Agency require the contractor to conduct reviews “on-site” at each facility or will hospitals be required to submit requisite records to the contractor via mail, fax or other medium?
- A: This is at the Contractor’s discretion.
- Q5: **Page 33, Section 3.3:** In Section 3.3 of the RFP the Agency describes a process it has used to support its PIHP. Reference is made to an outside entity that the Agency has contracted with for certain quality assurance related tasks. Is this arrangement/contract still in place? Please provide the name of the vendor.
- A: The PIHP, not Medicaid, contracted with a vendor to provide quality assurance oversight. The vendor was the Alabama Quality Assurance Foundation.
- Q6: **Page 33, Section 3.3:** Does the Agency currently require or perform prior authorization or medical necessity review for any other services or benefits covered by the Alabama Medicaid program?
- A: Yes.
If yes, what other services require prior authorization or medical necessity review?
- A: Nursing Home Admissions, Inpatient psychiatric hospitals, DME, certain medical services, etc.
Are these review services provided by the Agency or a contractor vendor?
If a vendor, please identify.
- A: APS Healthcare, Atlanta Georgia.
- Q7: **Page 35, Section 4.2(d):** Sec. 4.2(d) of the RFP provides a general overview of a contractor’s reporting requirement. Does this section represent the minimum acceptable range of reports a contractor will be required to produce?
- A: Yes.
Are there additional reports that the Agency would like the contractor to produce? If yes, please provide a description of those additional reports.
- A: Will be determined after contract has been awarded.
- Q8: **Page 38, Section 4.7 (a)(3):** Based on the types of inpatient hospital services covered by the Medicaid program and the Agency’s desire to utilize the InterQual criteria to support its review activity it is likely that several InterQual criteria sets will need to be licensed. In light of this fact, has the Agency established a budget sufficient to support the McKesson Health Services Licensing expense a contractor would incur?

A: Yes

Would the Agency be willing to consider a contractor's licensing fee expense separate from other costs a contractor would incur related to the administration and operation of the review program?

A: Yes. Section 4.7(a)(3) will be amended to read as follows: "Contractor will be required to be responsible for "determining and documenting pass-through expenses related to InterQual criteria."

Q9: **Page 38, Section 4.7(a)(3):** McKesson Health Solutions typically executes a licensing agreement with a vendor for access/use of the InterQual criteria. The terms of that licensing agreement are calculated based on the number of covered lives/beneficiaries enrolled in the Medicaid program. Please provide the most current number of Alabama Medicaid beneficiaries that will be covered by the Agency's FFS benefit program.

A: The projected number of FFS eligibles beginning October 2008 is 575,000.

Q10: **Page 38, Section 4.7 (a)(3):** Has the Agency had any conversations with McKesson Health Solutions regarding terms under which the InterQual review criteria will be acquired? If yes, please describe.

A: We have only had a basic overview from McKesson. Specific terms were not discussed.

Q11: **Page 38, Section 4.7(a)(3):** Has the Agency reviewed the McKesson Health Solutions licensing agreement for the InterQual criteria?

A: Yes

What level of review and/or approval of licensing terms will the Agency require before the vendor will be able to execute the McKesson Licensing Agreement?

A: This will be determined after the contract is awarded.

SET FOUR

Q1: Can Medicaid provide the query of the inpatient admissions noted on page 38 (**Medicaid Responsibilities**), **4.8(g)** for 2007?

A: This will be provided as part of the Contractor's Requirements meeting.

Q2: Of the total number of admissions for 2007, how many were Medicaid admissions?

A: The admissions listed in Section 3.2 on page 32 were all Medicaid admissions.

Q3: Of the 83,145 admissions for 2007, how many were adult versus pediatric admissions?

A: In order to answer this question a new query had to be obtained. The total number of admissions is now 83,431. 43,600 were

over 21 years of age and 39, 925 were under 21 years of age. This number is higher than 83,431 because a recipient may have been 20 and turned 21 in the next year.

Q4: Does the 83,145 admission represent a consistent number of admissions for previous years.

A: The number can fluctuate.

Q5: Can you provide the number of Medicaid admissions for 2006 and 2005?

A: Yes. 2005: 78,876. 2006: 81,800.

Q6: There are currently 124 hospitals listed. How much variance in the number of hospitals has there been each year?

A: Less than 1%.

Q7: Corrective action can be implemented on deficiencies found from utilization review. Please define the limitations on corrective action the contractor can implement.

A: Refer to Section 4.5 'Procedure Manual'. The Contractor will determine how corrective action plans will be followed up.

Q8: Is there a penalty for a hospital that does not complete the annual MCE study? The contractor is required to obtain 100% on an annual basis.

A: Refer to SET FOUR; Question 7.

Q9: Does Medicaid have criteria for the contractor to approve or disapprove the MCE study?

A: Refer to SET FOUR; Question 7.

Q10: Does the physician advisor(s) have to be licensed in the state of Alabama or can they be licensed in a state that has a hospital that provides Alabama Medicaid services?

A: The physician advisor does have to be licensed in the State of Alabama.

Q11: How are UR plans submitted to the current contractor, i.e., US Postal, electronically, etc.

A: N/A

Q12: Does the contractor have to be physically located in the state of Alabama?

A: No.

Q13: Is it permissible to use electronic signatures on review documents?

Further explained: Would it be acceptable to use an electronic signature For letters and any other routine correspondence resulting from the review?

A: Yes.

If the medical record or other information is available electronically, would it be acceptable for reviewers or other appropriate health care professional to review the documents and add their comments and signatures electronically?

A: Yes.

Q14: On page 30 **Record Retention and Storage**, it is stated that Micromedia copies of source documents for storage may be used in place of paper. Does this include the use of digital imaging?

A: Yes.

Q15: At the start of this contract, will hospitals revert back to non-delegated status?

A: No.

Q16: Other than the costs for its own InterQual license, will the contractor incur any expense related to InterQual Criteria?

A: Refer to Question 18, SET TWO.

Q17: How many hospitals are currently using InterQual criteria?

A: Medicaid does not have this information.

Q18: Will the contractor be responsible for training providers and Medicaid personnel in the use of InterQual criteria?

A: It is expected that Contractor will be involved in the training process for Contractor staff and Medicaid staff, minimal training involvement with hospitals.

Q19: What will be the methodology for selecting the 10% review sample?

A: Refer to SET ONE; Question 6.

Q 20: Who will be responsible for selecting the 10% review sample?

A: Refer to SET ONE; Question 6.

Q21: In what capacity, if any, will the AMMIS be utilized?

A: None

Q22: Section 1.8 i. states that the bid price must appear on the Finance Department, Division of Purchasing Pricing page. Where can this document be located?

A: Refer to SET TWO; Question 4.

Q23: Section 1.8 j. Bid Submission Requirements-Requires that the bidders include details to support the bid price. What specific information is required to support the bid price?

A: Refer to SET TWO; Question 6.

SET FIVE

Q1: **Page 34, 4.2 Admission and Continued Stay Criteria a:** Reference to review of hospital admissions and “continued stays”. Please define the time frame for continued stay reviews (i.e., 24hrs, 72hrs or discharge screening).

A: 72 hours is the time frame for continued stay reviews. During this 72 hour period the patient should continue to meet criteria.

Q2: **Page 34 4.2 Admission and Continued Stay Criteria a:** If a utilization review or quality concern is identified, what is Medicaid’s timeframe for providing hospitals an opportunity to discuss via rebuttal information?

A: As soon as a quality or utilization concern is identified it needs to be addressed.

Q3: **Page 34 4.2 Admission and Continued Stay Criteria a:** What is Medicaid’s timeframe for submission of medical records from the hospitals? (Example: to be received within 30 days after request)

A: Contractor will determine.

Q4: **Page 34 4.2 Admission and Continued Stay Criteria b:** Will contractor be required to have a Memorandum of Agreement with all in-state and border hospitals?

A: No.

Q5: **Page 34 4.2 Admission and Continued Stay Criteria c. (1), (2), (3):** In order to allow for appropriate timeframes for completion of the review processes, will Medicaid allow the contractor discretion to develop a review timeline to be approved by Medicaid?

A: Yes, this is expected as part of procedures manual.

Q6: **Page 35, 4.2 Admission and Continued Stay Criteria d(1):** “Utilization review and quality concerns and any patterns present.” There is no quality screening criteria in the ITB. Please address.

A: The contractor will identify, track and analyze trends in inpatient healthcare utilization, quality and outcomes in accordance with national standards including but not limited to the Healthcare Cost and Utilization Project (HCUP) and National Quality Forum Measures (NQF).

- Q7: **Page 37, 4.6 Reconsiderations:** Is the reconsideration process expected as a level 2 or level 3 review?
A: Question is unclear; there are no levels unless indicated as part of the procedure manual to be written by the Contractor.
- Q8: **Page 38, 4.7 InterQual Criteria a. (2):** Contractor to convene and chair a committee for transitioning from Medicaid criteria to InterQual. How many committee meetings are anticipated by Medicaid for this endeavor?
A: As many meetings as necessary in order to assure a smooth transition.
- Q9: **Page 38, 4.7 InterQual Criteria a.(3):** “Contractor to be responsible for any cost associated with the purchase of review criteria.” Please elaborate. Will all hospitals be responsible for purchasing their criteria?
A: Refer to SET TWO; Question 18.
- Q10: **General Question:** What reimbursement rate will be utilized for record copying for the hospitals?
A: Medicaid does not reimburse providers for record copying.
- Q11: **General Question:** No procedure criteria was provided in the ITB. Will procedure review be a requirement for this contract?
A: No.
- Q12: **General Question:** Is there a prescribed form for the business proposal?
A: Yes. Refer to SET TWO; Question 4.
Should the proposal reflect the first two years combined or separately?
Or should it reflect a budget for each year up to five years?
A: Refer to SET TWO; Question 6.
- Q13: **General Question:** For the chart reviews, the chart will be selected by “dates of service”. Will the dates of service be selected by the admission date or the discharge date?
A: Admission date.
- Q14: **General Question:** It was not clear to us if all appendices have to be in Word also. Items such as a GANTT chart or copies of licensure are scanned in PDF format. Is that okay? We were going to put all appendices in order in one document in PDF format.
A: PDF format is acceptable.